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Governor



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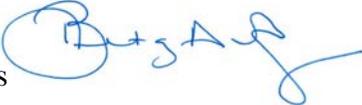
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DATE: October 4, 2017

TO: Managed Care Organization Chief Executive Officers

FROM: Betsy Genz, Associate Director
Bureau of Adult Long Term Care Services 

JoAnna Richard, Associate Director
Bureau of Adult Long Term Care Services 

RE: CY 2018 Managed Long Term Care Pay for Performance

The calendar year 2018 Family Care and Partnership/PACE contracts will include pay for performance provisions. The Department of Health Services (DHS) is in the process of contracting with the University of Wisconsin – Survey Center (UWSC) to administer an updated member satisfaction survey. DHS has selected four questions from the previous member satisfaction survey to use as pay for performance metrics and worked with UWSC to update the wording to improve the quality of responses from our members. The new and old wording for the four pay for performance questions are shown in Table 1 below.

Table 1: Pay for Performance Questions

Question	Previous Question	2018 Question
1	How often do you get the help you need from your Care Team? Frequency Scale: Always; Usually; Sometimes; Never	How often do you get the help you need from your Care Team? Frequency Scale: Never; Rarely; Sometimes; Very Often; Extremely Often
2	Do you participate in making decision about your Care Plan? Frequency Scale: Yes; No	How involved are you in making decisions about your Care Plan? Frequency Scale: Not at All; A Little; Somewhat; Very; Extremely
3	Does your Care Plan include all/most/some/none of the things that are important to you? Frequency Scale: All of the things that are important to you; Most of things that are important to you; Some of the things that are important to you; None of the things that are important to you; Don't know	How much does your Care Plan include the things that are important to you? Frequency Scale: Not at All; A Little; Somewhat; Quite a Bit; A Great Deal
4	Overall, how would you rate the supports and services you receive? Frequency Scale: Excellent; Very Good; Good; Fair; Poor	How well do the services you receive meet your needs? Frequency Scale: Not at All; A Little; Somewhat; Very; Extremely

DHS used MCOs’ past results from the previous member satisfaction survey to select thresholds for minimum performance standards and target performance benchmarks.

- **Minimum Performance Standard:** The minimum performance standards are set on the percentage of positive responses the MCO receives. Positive responses include the top two responses out of the five possible responses for each question.
- **Target Performance Benchmark:** The target performance benchmarks are set on the percentage of top responses the MCO receives. Top responses include only the most positive response available for each question.

MCOs are only considered to have met a threshold if their response percentage, rounded to the first digit after the decimal point, is equal to or greater than the threshold. Table 2 below shows the calendar year (CY) 2016 average responses for each question and the pay for performance thresholds.

Rounding Example:

DHS will round each MCO’s results for each question to the first digit after the decimal point.

- 90%
 - 89.94 = 89.9%
 - 89.95 or higher = 90.0%

Table 2: CY 2016 Response Percentages and Pay for Performance Thresholds

Question	CY2016 Average		Pay for Performance Thresholds	
			Minimum Performance Standard	Target Performance Benchmark
	Positive Response	Top Response	Positive Response	Top Response
Family Care				
1	88%	67%	85.0%	65.0%
2	N/A	93%	90.0%	85.0%
3	90%	61%	90.0%	60.0%
4	96%	55%	90.0%	55.0%
Partnership/PACE				
1	89%	63%	85.0%	60.0%
2	N/A	90%	90.0%	85.0%
3	90%	64%	85.0%	60.0%
4	95%	52%	90.0%	50.0%

Pay for Performance Funding Criteria:

The CY 2018 capitation rates will have 0.5% of the capitation rate withheld from each MCO for pay for performance. In addition, the funding equivalent to 0.5% of the capitation rate for each MCO will be made available for pay for performance incentives. Each MCO can earn back 0.125% of the funds withheld from their capitation rates for each minimum performance standard they meet. To be eligible for any of the 0.5% of incentive funding, an MCO must meet all four minimum performance standards. If an MCO meets all four minimum performance standards, they can earn 0.125% in incentives for each targeted performance benchmark they meet. Table 3 below provides some example outcomes.

Table 3: Example Pay for Performance Results

Pay for Performance MCO Earnings (% of Capitation Rate)			
MCO	Enhancement	Benchmark	Total
MCO A	0.000%	0.375%	0.375%
MCO B	0.250%	0.500%	0.750%
MCO C	0.500%	0.500%	1.000%

All pay for performance incentives and withholds will be paid in calendar year 2019.